

PRESS RELEASE

Liberty Insurance invests €100 million in Western Europe to reinvent its business model in the cloud

- Liberty's European retail business will operate through a new cloud based technology
- The company has built all the technology from scratch, eliminating the complexity of the legacy systems
- Liberty will be able to launch new completely modular products through an Insurtech approach
- This is a change of paradigm as the company is rebuilt in a cloud with no connection to legacy

Dublin, 27 July, 2020

Liberty Insurance has launched a new model of operating insurance, by designing a unique concept of disruptive technology based on a digital ecosystem in the public cloud. This purpose-built system will house all operating functions relating to the commercialization and management of its insurance business.

The company is investing €100 million in this new cloud-based infrastructure over the next four years, at which time all Western European products will be using the one solution.

A new departure

Traditionally, insurance businesses rely on different processes and technologies to manage quotes, claims, customer services, purchasing and other core activities. This brings a complexity of systems, hardware and software for the insurer across its different products and markets.

To address these inefficiencies, 18 months ago, the company started to pilot the concept of building a new set of modular and collaborative technologies to manage an insurance business in the cloud.

This new infrastructure represents a departure from the legacy systems and data centres of old. Based on the concept of a network modularity, the company has gone from a greenfield to a full solution, where products and services can be launched with no constraints related to language, currencies or market context. These developments will facilitate a leaner operating model, particularly in relation to low touch and no touch products.

With this approach, Liberty will become more agile in launching new products, or entire business units in existing markets.

Digital capabilities of an insurtech

In doing so, the company brings together 108 years of insurance know-how with the digital capabilities of an Insurtech.

For Irish Direct Motor, Liberty has been successfully selling its New Business through this new technology for the last two months, commencing in May 2020. It will start doing the same in Spain in the second half of this year. This solution offers customers a range of cover options as

PRESS RELEASE

part of a basic package and then allows them to customise a product that most suits their needs, with a number of optional add-ons. Further product enhancements are planned for the new year to improve the customers' cover choices further.

Liberty comment

Tom McIlduff, Liberty Seguros CEO comments: "When a few years ago we decided to operate as one global company in every market, taking advantage of our global footprint and our 108 years of knowledge, we understood that we couldn't look at the technology behind the company in a traditional way.

"So instead of migrating our technology, we decided to start from scratch, rebuilding our company in a whole new business model in the cloud, by connecting different technologies in a common ecosystem. This a huge effort for a company of our size but we are sure that this investment will ensure the sustainability of the company and allow us to quickly respond to future market innovations."

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Notes to the Editor

About Liberty Insurance

Liberty Insurance provides car and home insurance to the Irish consumer market. The company operates from offices in Cavan and Dublin. Liberty Insurance is part of the Liberty Mutual Insurance Group.

About Liberty Mutual Insurance

At Liberty Mutual, we believe progress happens when people feel secure. By providing protection for the unexpected and delivering it with care, we help people embrace today and confidently pursue tomorrow.

In business since 1912, and headquartered in Boston, today we are the sixth largest global property and casualty insurer based on 2019 gross written premium. We also rank 75th on the Fortune 100 list of largest corporations in the U.S. based on 2018 revenue. As of December 31, 2019, we had \$43.2 billion in annual consolidated revenue.

We employ over 45,000 people in 29 countries and economies around the world. We offer a wide range of insurance products and services, including personal automobile, homeowners, specialty lines, reinsurance, commercial multiple-peril, workers compensation, commercial automobile, general liability, surety, and commercial property.